



STATE OF MICHIGAN
TERRI LYNN LAND, SECRETARY OF STATE
DEPARTMENT OF STATE
LANSING

M E M O R A N D U M

DATE: July 16, 2004
TO: Candidates Seeking and Incumbents Holding State Elective Offices
Nominated at Convention
FROM: Michigan Department of State, Bureau of Elections
SUBJECT: Filing Requirements Under Michigan's Campaign Finance Act

CANDIDATES NOMINATED FOR A STATE ELECTIVE OFFICE AT CONVENTION ARE REQUIRED TO FILE UNDER MICHIGAN'S CAMPAIGN FINANCE ACT. STATE ELECTIVE OFFICES NOMINATED THIS YEAR AT CONVENTION ARE JUSTICE OF THE SUPREME COURT, STATE BOARD OF EDUCATION, UNIVERSITY OF MICHIGAN REGENTS, MICHIGAN STATE UNIVERSITY TRUSTEES, AND WAYNE STATE UNIVERSITY GOVERNORS. PLEASE READ THIS MEMO TO DETERMINE IF YOU ARE REQUIRED TO FILE UNDER MICHIGAN'S CAMPAIGN FINANCE ACT.

ALL COMMITTEES REQUIRED TO FILE WITH THE SECRETARY OF STATE THAT SPEND OR RECEIVE \$20,000.00 OR MORE IN A CALENDAR YEAR OR EXPECT TO SPEND OR RECEIVE \$20,000.00 OR MORE IN A CALENDAR YEAR ARE REQUIRED TO FILE ELECTRONICALLY. COMMITTEES MAY REGISTER FOR MERTS PLUS SOFTWARE BY COMPLETING ITEMS 13 AND 14 ON AN ORIGINAL OR AMENDED STATEMENT OF ORGANIZATION FORM. TRAINING (ON-SITE OR ON-LINE) CAN BE ARRANGED BY ACCESSING THE MERTS PLUS WEB PAGE AT WWW.MERTSPLUS.COM.

Special Note to Incumbent Officeholders

It merits immediate note that an individual who currently holds one of the above named offices whose term of office expires January 1, 2005, is required to file the 2004 Pre and Post-Convention Campaign Statements unless the committee has a Reporting Waiver. This includes those incumbents who have chosen not to seek re-election.

Definition of a Candidate Under the Act

Section 3(1) of the Michigan Campaign Finance Act states:

“Candidate” means an individual: (a) who files a fee, affidavit of incumbency, or nominating petition for an elective office; (b) whose nomination as a candidate for elective office by a political party caucus or convention is certified to the appropriate filing official; (c) who receives a contribution, makes an expenditure, or gives consent for another person to receive a contribution or make an expenditure with a view to bringing about the individual’s nomination or election to an elective office, whether or not the specific elective office for which the individual will seek nomination or election is known at the time the contribution is received or the expenditure is made; or (d) who is an officeholder who is the subject of a recall vote. Unless the officeholder is constitutionally or legally barred from seeking re-election or fails to file for re-election to that office by the applicable filing deadline, an elected officeholder shall be considered to be a candidate for re-election to that same office for the purposes of this act only.”

Statement of Organization

Upon becoming a candidate, an individual has 10 days to form a Candidate Committee. From the date that the committee is formed, the committee has an additional 10 days to register with this office. To register a Candidate Committee, you must file a Statement of Organization form with this office. The necessary form is enclosed. While candidates who currently have a Statement of Organization on file are not required to file a new Statement of Organization, they may be required to file an amendment to update the information on the form. For example, an incumbent officeholder who is seeking re-election who has appointed a new treasurer must indicate this change on an amended Statement of Organization.

- Committees that do not register in a timely manner are assessed late filing fees. Late filing fees are assessed at \$10.00 per business day (maximum fee: \$300.00). Late filing fees assessed a committee are the personal responsibility of the candidate, treasurer and designated record keeper should the committee fail to pay the assessment.
- A Statement of Organization that is hand delivered or sent by first class mail must reach this office before 5:00 p.m. on the due date. Committees must be sure to allow adequate transit time if sending a Statement of Organization by first class mail. A Statement of Organization sent by registered mail, certified mail or an overnight delivery service and postmarked on or before the due date will be accepted as a timely filing regardless of when it arrives.
- A committee registered under Michigan’s Campaign Finance Act is required to amend its Statement of Organization if any information presented on the form has changed. Required amendments to the form must be filed **no later than the due date of the next Campaign Statement required of the committee.**

Campaign Statements

Candidates nominated at convention for state elective office and/or incumbent officeholders who hold a state elective office nominated at convention are required to file Pre and Post-Convention Campaign Statements. Candidates that participate in the November 2 general election are required to file Pre and Post-General Campaign Statements. However, Campaign Statements are not required of committees that have been granted a Reporting Waiver. The Reporting Waiver is discussed later in this memo.

The campaign finance reporting dates relevant to the upcoming conventions and general election are listed below:

Republican Party of Michigan

Pre-Convention closing date	August 11
Late Contribution Report period	August 12-24 (15 th through 3 rd day before the convention)
Pre-Convention due date	August 16
STATE CONVENTION DATE	AUGUST 27-28
Post-Convention closing date	September 16
Post-Convention due date	September 27

Democratic Party of Michigan

Pre-Convention closing date	August 12
Late Contribution Report period	August 13-25 (15 th through 3 rd day before the convention)
Pre-Convention due date	August 17
STATE CONVENTION DATE	AUGUST 28-29
Post-Convention closing date	September 17
Post-Convention due date	September 27

Candidates Participating in the General Election

Pre-General closing date	October 17
Late Contribution Report period	October 18-30 (15 th through 3 rd day before the election)
Pre-General due date	October 22
GENERAL ELECTION	NOVEMBER 2
Post-General closing date	November 22
Post-General due date	December 2

NOTE: Convention dates are based on the first date of the conventions. Information was provided by the respective political parties.

Timely, Accurate Campaign Statements Required

- If the committee raised **\$10,000.00 or less** during the previous 2 years, a \$25.00 late filing fee will be assessed each business day the Statement remains unfiled (maximum fee: \$500.00).
- If the committee raised **more than \$10,000.00** during the previous 2 years, the maximum fee that can be assessed is increased to \$1,000.00. The late filing fee will be assessed as follows:
 - (a) \$25.00 for each business day the Statement remains unfiled.
 - (b) An additional \$25.00 for each business day after the first 3 business days the Statement remains unfiled.
 - (c) An additional \$50.00 for each business day after the first 10 business days the Statement remains unfiled.

- Campaign Statements that are hand-delivered, sent by first class mail, or submitted electronically via the Internet must reach this office before 5:00 p.m. on the due date. Be sure to allow ample mailing time if sending first class.
- A Pre-Convention Campaign Statement submitted on paper or diskette that is sent by registered mail, certified mail or an overnight delivery service and postmarked two or more days before the filing deadline will be accepted as a timely filing regardless of when it arrives.
- A Post-Convention Campaign Statement submitted on paper or diskette that is sent by registered mail, certified mail or an overnight delivery service and postmarked on or before the filing deadline will be accepted as a timely filing regardless of when it arrives.
- Committees filing on paper must provide two (2) copies of each required Campaign Statement (one original and one photocopy).

Reporting Waiver Provisions

A Candidate Committee is exempt from the Campaign Statement filing requirements if it currently has a Reporting Waiver or qualifies for and obtains a Reporting Waiver on or before the due date of the Campaign Statement. A Candidate Committee that does not expect to receive or spend more than \$1,000.00 for the convention or an election is eligible for a Reporting Waiver.

To become eligible for a Reporting Waiver, the Candidate Committee must check item 10 on its Statement of Organization. This tells the filing official that the committee does not expect to receive or spend more than \$1,000.00 for the convention or an election. The committee can check item 10 on its original Statement of Organization or on an amendment to its Statement of Organization.

A Candidate Committee that does not check item 10 on its Statement of Organization is not eligible for a Reporting Waiver. This means that the committee must file Campaign Statements regardless of the amount received or spent during the reporting period.

A Candidate Committee loses its Reporting Waiver if it receives or spends more than \$1,000.00 for the convention or an election. Funds held by the committee after the date of the convention or an election count toward the “amount received” for the next election. If the Reporting Waiver is lost, the committee must file the next required Campaign Statement.

A Reporting Waiver does not exempt a committee from filing Late Contribution Reports; however, it is not necessary for a committee with a Reporting Waiver to show late contributions on a Campaign Statement.

Dissolution Information

To be eligible for dissolution, a Candidate Committee must have no remaining assets or outstanding debts. An unpaid late filing fee is considered to be a committee debt. An officeholder cannot dissolve his or her Candidate Committee until his or her term of office expires. Exceptions to this provision exist for officeholders who are not eligible to seek re-election. For further information on the exceptions, contact the Department of State’s Bureau of Elections.

Funds leftover in a Candidate Committee account must be disbursed in the following ways:

- given to a Political Party Committee (state central, congressional district or county);
- given to a tax exempt charitable organization (as long as the candidate does not become an officer or director of the organization or receive compensation, either directly or indirectly, from the organization);*
- returned to contributors of the funds;
- given to an Independent Committee;
- given to a Ballot Question Committee; or
- transferred to another Candidate Committee simultaneously held by the same person if the contribution limits that apply to the Candidate Committee receiving the funds are the same or greater than the contribution limits that apply to the Candidate Committee transferring the funds. (Further information on such fund transfers can be obtained by contacting the Department of State's Bureau of Elections.)

*When a dissolving committee contributes all or part of its remaining funds to a tax-exempt charitable organization, the committee must submit confirmation (letter, receipt, etc.) from the charitable organization acknowledging that the contribution was received. Candidates for Justice of the Supreme Court are advised to contact the Michigan State Bar Association at (517) 346-6300 for additional information on dispersing leftover committee funds.

If the committee has a Reporting Waiver, it is dissolved by filing a single-page Dissolution Campaign Statement form. If the committee does not have a Reporting Waiver, it is dissolved by filing a final Campaign Statement with supporting Schedules. A Dissolution Campaign Statement can be combined with the 2004 Post-Convention Campaign Statement.

Candidate Committees Using MERTS Plus Software

The following reminders are offered for Candidate Committees using MERTS Plus software to electronically submit their Campaign Statements. **(For step by step instructions, please refer to Section 6 of the MERTS Plus Guide for Candidate Committees.)**

- **Election Cycles** – Make sure the current election cycle is entered into the Election Cycles Window. (See Section 1 of the MERTS Plus Guide for Candidate Committees.) For specific dates, refer to the attached Election Cycle Chart.
- **Reporting Periods** – A separate report record with correct coverage period dates must be created in the Reports Window for each Campaign Statement that will be electronically submitted by the committee. (See Section 1 of the MERTS Plus Guide for Candidate Committees.)
- **Amendments to Campaign Statements** – An amended Campaign Statement cannot be submitted until an original Campaign Statement has been electronically filed. If you create more than one amendment to a report, each amendment must be electronically submitted in the order it was created before any further amendments can be filed.
- **Questions concerning the use of the software should be directed to MERTS Plus Tech Support at (703) 749-4642 or sent by e-mail to techsupport@nicusa.com.**

Questions?

If you have any questions, please phone us at (517) 373-2540 or write us at the address below. The address below should also be used to mail your filings by first class mail, registered mail or certified mail.

Michigan Department of State
Bureau of Elections
Post Office Box 20126
Lansing, Michigan 48901-0726

If you would like to visit our office or use an overnight delivery service, the address below is provided.

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1st Floor – Treasury Building
430 West Allegan Avenue
Lansing, MI 48918